EXHIBIT 107
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Data Integrity

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AGRI STATS

Agenda

- Agri Stats intro

- Agri Stats data integrity procedures

- Industry data integrity options

- Industry data integrity challenges

- Summary

AGRI STATS

Agri Stats

- Professional international benchmarking company – swine, broiler, turkey, eggs.
  - USA, Canada, Mexico
  - Brazil, Chile
  - Russia
  - South Korea
- Started 1985
- Office – Fort Wayne, IN; ~100 people

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Agri Stats

- 28 companies, 2.3m sows, 50m pigs – USA, CAN

- Companies submit financial and production data electronically each month.

- Agri Stats audit - each company data monthly.

- Monthly report – month, quarter, 12 months.

- Monthly graphs – company, average, top 25%, region or sub-region.

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Agri Stats Data Integrity Procedures:

- Formal setup new participants
  - One week on site to learn company accounting, collect data.
  - Three weeks in office to finish setup.
  - Ensures data & process similar all companies.

- Test report review & reconciliations to check data before including in comparison.

- Electronic data submission & conversion.

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Agri Stats Data Integrity Procedures:

- Turn company data over to audit team.

- Audit team learns company, audits monthly.

- Know all farms – expect, check for data to make sure all farms included each month.

  – Farms included through PRRS, PEDv, etc.

  – Farms excluded from production data when production stops during depops, costs included

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Agri Stats Data Integrity Procedures:

- Audit team ties to company financials monthly.
  - Contact company if new cost centers submitted.
  - Contact company if see irregularities in cost or production data.

- Audit report shows company variance by month for six consecutive months – tolerance allowance.
  - Auditors run for each company before monthly final.

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Agri Stats Data Integrity Procedures:

- Compare feed formula cost to financial cost each month.

  - Check with company for issues if +/- $5/ton.

  - Explain reasons to account management team monthly via audit notes.

  - Helps ensure getting accurate cost and current formulas.

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Agri Stats Data Integrity Procedures:

- Compare Agri Stats calculated final diet kcals to company formulation each month.

  – Checking with company to ensure current formulas and correct ingredient specs if +/- 10 kcals.

  – Helps ensure reporting actual cost, correct nutrient values, correct kcals for caloric feed conversion.

  – Serves as check for system and process.

  – Important in feed cost evaluation.

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Agri Stats Data Integrity Procedures:

- Column limits used to check and protect data:
  - Min and max limits set on key columns.
  - Values outside of limits fall out of data and alert auditors to issue.
  - Audit team checks data submitted, data converted, calculation and process for errors. If none found then contact company to resolve issue.
  - Allow to limit off if no resolution or known issue that could identify company (fire, tornado, etc.).

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Agri Stats Data Integrity Procedures:

- Same calculations for all companies:

  - Do not use company performance calculations except as a check.

  - Use company raw data in Agri Stats calculations for all companies.

  - Eliminates uncertainty and confusion of calculation method and variation created by companies using different calculations.

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Industry Data Integrity Options

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Industry Data Integrity Options:

- Choose limited number of key metrics and focus only on those.

- Make metrics simple to calculate and set standard calculations:

  - Total Feed Cost / Total Cwt or Lbs to Plant

    - Most all companies will have total feed tons delivered and total feed cost.

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Industry Data Integrity Options:

- Mortality (#Placed-#Finished)/#Placed x 100

- ADG (Avg. Finish Wt. – Avg. Placed Wt.)/Avg. Age

- FCR (Total Feed / Total Gain)

  - Can be affected by diet kcals – Caloric Conversion better but more difficult to calculate and get data needed.

- Pigs/Sow/Year ((#Weaned/#Sows)/#weeks) x 52

  - Agree on how to determine sow inventory.

- Born Live/Litter, Wean/Litter (Totals/Sows Weaned)

  - Sows weaned includes zero weans.

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Industry Data Integrity Options:

- Can use pre-calculated and reported sow production metrics in record programs like PigChamp Care 300, PigKnows, Meta Farms, etc.

  – There are multiple ways to report Sows Weaned – does it include zero weans, etc.

  – Be sure using correct report lines.

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Industry Data Integrity Options:

- Determine party responsible for calculations and reporting.
  - History not favorable toward just sharing data.
  - Choose or hire responsible party for collecting, compiling and reporting data.

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Industry Data Integrity Challenges

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Industry Data Integrity Challenges:

- Cost values are harder to calculate and compare.
  - What costs should be included?
  - How will costs be measured and recorded?
  - How will costs be reported?
  - Differences in company accounting procedures?
  - How to ensure all are including the same costs?

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Industry Data Integrity Challenges:

- Sow cost accounting done four different ways and each one can vary by company:
  - Direct expense of gilt in the month.
    - Variation in how companies determine cost per gilt.
  - Depreciation.
    - 2 years? 2.5 years? No industry set schedule.
  - Inventory Change.
    - What values used? What method used? No standard.
  - Salvage Value.
    - No industry standard method for starting value.

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Industry Data Integrity Challenges:

- Facility cost for company owned facilities:
  - What labor should be included or excluded?
  - How to include labor for vaccination, sorting, preg-check crews?
  - How much overhead or G&A costs to include?
  - What about differences in capital interest?
  - No industry uniformity or standard procedures.

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Industry Data Integrity Challenges:

- Semen cost:
  - All boar stud costs included?
  - Labor, depreciation, overhead?
  - Semen transportation?
  - AI materials easier to include.
  - How to handle boar cost, depreciation?
  - Differences in genetic royalty methods.

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Industry Data Integrity Challenges:

- Pig Placement cost:
  - Cost of weaned pig going into nursery or wean-finish.
  - Cost of feeder pig going into finishing.
  - Differences in how companies calculate this and what is included.
  - Standard values?

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Industry Data Integrity Challenges:

- Medication and Vaccination cost:
  - Can have noise depending on when vaccine is given – circo given at sow farm when weaned or at nursery?
  - Vet costs included? All vet expense?
  - Diagnostics and lab tests?
  - Include many things then cannot evaluate med & vaccination cost.

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Summary

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- Benchmarking is very important but it is hard to make sure data is comparable across companies.

- Even if all companies include the same costs the costs can be calculated differently.

- Lots of variation in cost accounting in industry.

- Companies can select key metrics, common calculations and implement an effective benchmarking program.

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- Procedures can be put in place to facilitate data integrity:
  - Common calculations.
  - Agree on calculation and data collection procedures.
  - Determine tolerance and outlier status and enforce.
  - Invest time to develop and implement procedures.
  - Have an administrator to compile the data and enforce procedures.
  - Each participant has to commit.

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Thank You!

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